

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.75 cubic feet per second, but not to exceed 543.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

August 30, 2001

Proof of completion of work shall be filed before:

September 30, 2001

Water must be placed to beneficial use on or before:

August 30, 2002

Proof of the application of water to beneficial use shall be filed on or before:

September 30, 2002

Map in support of proof of beneficial use shall be filed on or before:

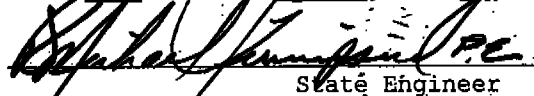
N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 4th day of April A.D. 2000


State Engineer

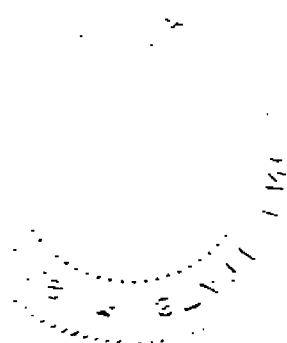
Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____

Abrogated By: Port. 67070T 0.04 exp 4/8/02
Port. 68623-T 0.04 Exp 6-28-03
Port. 69905-T 0.04 Exp 7-1-04 OR
P 72111T 0.04 Exp 4-24-06



**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office JUL 19 1999

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 29 1999 under 65321-T

The applicant Independence Mining Company, Inc., hereby makes application for permission to change the point of diversion, manner and place of use of a portion of water heretofore appropriated under permit #42687

1. The source of water is underground (DASH Portal)
2. The amount of water to be changed 0.75 c.f.s. (176.93 million gallons annually)
3. The water to be used for Mining, milling, de-watering & domestic
4. The water heretofore permitted for mining, milling, and domestic
5. The water is to be diverted at the following point Within the NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 18, T.40N., R.54E., M.D.M. from which the SE corner of Section 19, in said township, bears S. 9° 12' E., 10,620 ft. dist.
6. The existing permitted point of diversion is located within NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 33, T.41N., R.54E. M.D.M. from which the SW corner of said section bears S. 44° 36' W., 5,599 ft. dist.
7. Proposed place of use T.39N., R.53E., M.D.M., Sections 1 through 24; T.39N., R.54E., Sections 5 through 8, 17 through 20; T.40N., R.53E., -all sections; T.40N., R.54E., -W $\frac{1}{2}$ Sections 3. 4 through 8, 17 through 20, 29 through 32; T.41N., R.54E., -all sections; T.41N., R.54E., -Sections 5 through 8, 18 through 20, 29 through 33, W $\frac{1}{2}$ 34.
8. Existing place of use NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Lot 17) Section 4, T.40N., R.54E., S $\frac{1}{2}$, NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T.41N., R.54E., and approximately 6 miles of ore haul road through portions of Sections 25, 26 & 35 in T.41N., R.53E., and Sections 29, 30, 32, & 33 in T.41N., R.54E., M.D.M.
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works Connecting underground de-watering sites through pipelines to the portal of the "DASH" ore body, where lines converge at the above described point of diversion
12. Estimated cost of works \$200,000.00
13. Estimated time required to construct works three years
14. Estimated time required to complete the application of water to beneficial use six years

15. Remarks: The amount of water needed for de-watering purposes is unknown at the present time; hence, application for permit for proper disposal has not yet been submitted. Map filed under permit 42687, as well as the one filed under this application, is made a part hereof.

By s/William A. Nisbet, Agent
421 Court Street
Elko, Nevada 89801

Compared my/cmf hs/cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion, place of use, and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 42687 is issued subject to the terms and conditions imposed in said Permit 42687 and with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 39881, Certificate 11893; 42687; 47148, Certificate 13139; 47414; 48175, Certificate 13143; 54617, Certificate 14301; 58336; 58426-E; 58427-E; 58428-E; 58429-E; 58430-E; 58431-E; 58432-E; 58433-E; 58744-E; 59274; 61722, Certificate 15094; 61740-E; 61780-E; 61781-E; 61946; 62308; 62374; 65323 and 65324 shall not exceed 5,847.33 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly measurements shall be kept and submitted to the State Engineer within 15 days after the end of each calendar quarter which shall include: (a) the volume of water pumped from each source, (b) the rate of diversion pumped from each source, (c) the measurement of pumping water level (drawdown) from each source, and (d) the volume of water consumptively used for mining and milling purposes.

(CONTINUED ON PAGE 3)